

**Office Work Instruction**

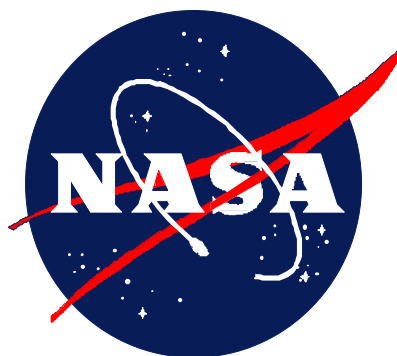
HOWI 7410-Y008A

Effective Date: April 19, 1999

Responsible Office: YB/Business Management Division

**Subject: Execute the ESE Budget**

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**OFFICE WORK INSTRUCTION**

**EXECUTE THE ESE BUDGET**

**(Conforming to ISO 9001 Quality System Requirements)**

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### DOCUMENT HISTORY LOG

Status (Baseline/ Revision/ Canceled)	Document Revision	Effective Date	Description
Baseline		11/30/98	
Revision	A	4/19/99	<p>Section 2.0: Added text to describe budget procedures as ESE's method for ensuring customer requirements are understood and can be met.</p> <p>Section 4.0: Deleted references not called out in the procedure.</p> <p>Section 5.0, Flowchart; Section 6.0, Procedure; and Section 7.0, Quality Records: Updated to identify certain inputs and outputs as electronic.</p> <p>Section 7.0: Added NPG 1441.1 reference.</p>

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## PREFACE

The NASA Office Work Instruction (OWI) for Execute the ESE Budget documents the tasks and activities in conformance with the International Organization for Standardization's (ISO) 9001 requirements for quality systems. The OWI supplements the *NASA Strategic Plan*, the *NASA Strategic Management Handbook*, and other higher level NASA directives, which form the basis for how NASA conducts business.

This OWI is not intended to duplicate or contradict any other NASA policy, procedures or guidelines, which currently exist. As such, the OWI will reference prevailing documents where a topic is addressed and existing coverage is deemed adequate. Additional information provided within is intended to supplement existing documentation regarding Headquarters (HQ) implementation of strategic and program/project management, as well as HQ conformance with the ISO 9001 Quality Management System (QMS) requirements.

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## 1.0 PURPOSE

This OWI documents the NASA Earth Science Enterprise (ESE) procedure for executing the ESE budget.

## 2.0 SCOPE AND APPLICABILITY

2.1 Scope. The ESE budget execution procedure occurs during the current fiscal year and involves establishing and updating the annual operating plan, establishing funds control, and monitoring performance.

ESE's budget execution procedure is consistent with and parallels the Agency's budget implementation procedure. NHB 7400.1, *NASA Budget Administration Manual*, describes the Agency procedure in detail.

ESE budget execution activities, together with the activities described in HOWI 7410-Y006, *Formulate the ESE Budget*, and in HOWI 7410-Y007, *Advocate the ESE Budget*, provide ESE with a systematic and documented method for ensuring that ESE understands and can meet its customers' needs. These activities provide the objective evidence that requirements are adequately defined, differences are understood and resolved, and reviews are done to determine if the capability exist to meet customer requirements. ESE documents its understanding of the requirements and determines its capability to meet customer requirements through budget formulation and internal budget advocacy activities. ESE identifies and resolves discrepancies with OMB and Congress through external advocacy activities. The ESE portion of the Agency Operating Plan, established in budget execution activities, reflects the agreement between ESE and the Congress on program content. The operating plan tracks back to the Congressional appropriation, and documents how the Enterprise plans to spend the funds to ultimately meet customer requirements.

ESE budget execution activities also provide the mechanism for amending requirements and correctly transferring amendments to appropriate ESE functional elements. Issues and corrective actions are identified through monthly program reviews and through ESE assessments of financial status as described in Activity 3 of this procedure. Approved corrective actions may trigger an update to the Operating Plan, effectively transferring changes to appropriate ESE elements. 2.2 Applicability. This work instruction for Execute the ESE Budget applies to the NASA Office of Earth Science (OES, Code Y) offices and divisions. The Associate Administrator for Earth Science is responsible for maintaining this document. The controlled version of this OWI is available on the World Wide Web (WWW) via the HQ ISO 9000 Document Library at <http://hqiso9000.hq.nasa.gov>. Any printed version of this OWI is uncontrolled (reference: HCP 1400.1, *Document and Data Control*). Proposed revisions will be accomplished by following HOWI 1410-Y015, *Approve Quality Documents*.

## 3.0 DEFINITIONS

Appendix B of the *Earth Science Enterprise Management Handbook* provides ESE-specific terms and definitions.

## 4.0 REFERENCES

The following document contains provisions that, through reference in this OWI or in policy or procedure documents, constitute the basis for the documented procedure:

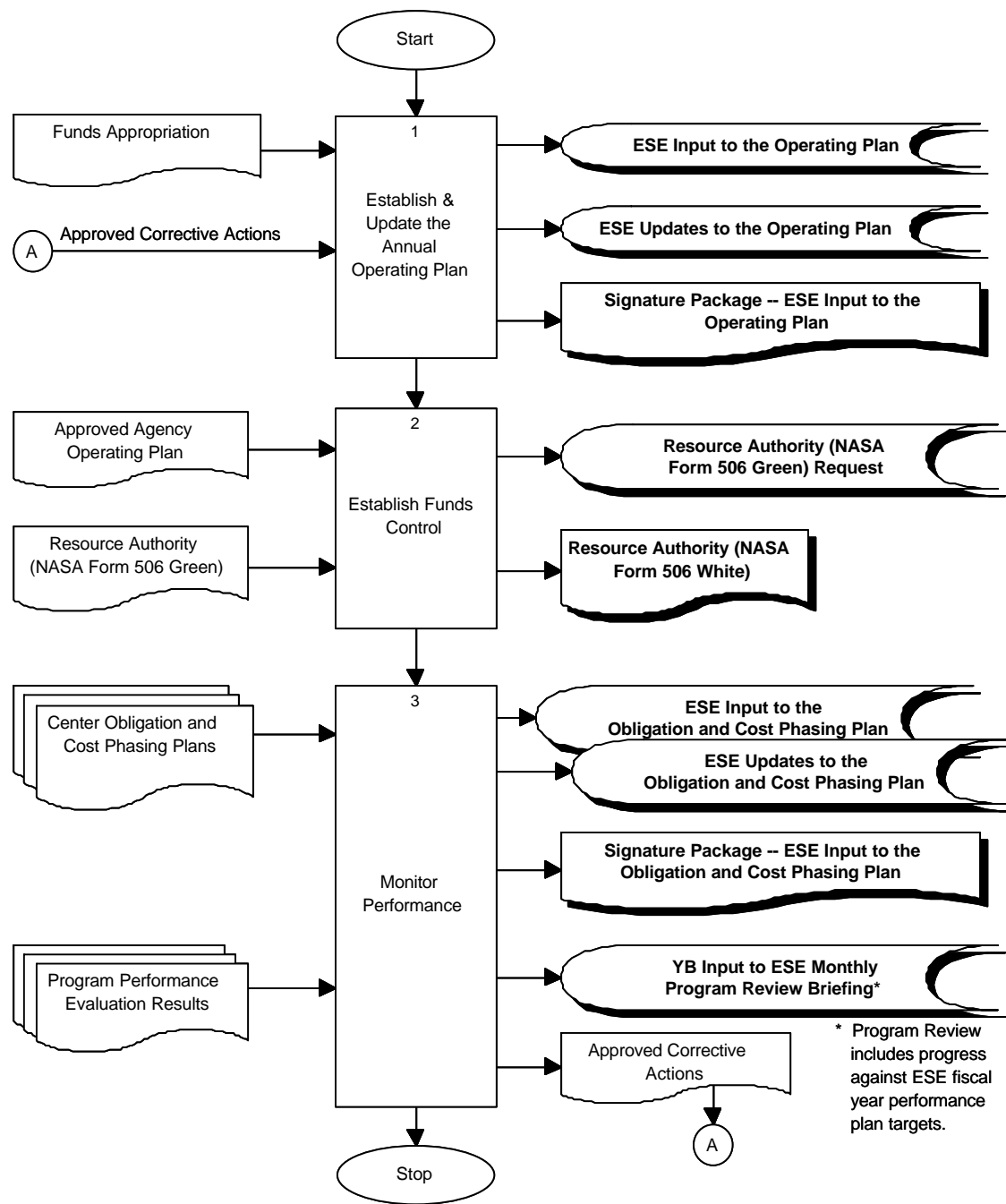
NHB 7400.1

NASA Budget Administration Manual

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## 5.0 FLOWCHART

The following flowchart depicts the procedure described in Section 6. Outputs in boldface type represent the quality records listed in Section 7.



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## 6.0 PROCEDURE

The following table describes the flowchart of Section 5.

<u>Actionee</u>	<u>Action</u>
Business Management Division ESE Technical Division Directors ESE Associate Administrator	<p><u>Establish and Update the Annual Operating Plan.</u> The annual Operating Plan is the total amount of New Obligational Authority (NOA) appropriated by Congress to the Agency. The Agency establishes the initial Operating Plan at the beginning of each fiscal year, and then updates the Operating Plan in the middle of the year or as required in order to deal with major budget changes. The ESE portion of the Agency Operating Plan reflects the agreement between ESE and the Congress on program content. The operating plan tracks back to the Congressional appropriation, and documents how ESE plans to spend the funds to meet customer requirements. This activity includes the following major tasks:</p> <p><input type="checkbox"/> <i>Establish the Initial Operating Plan.</i> Following the appropriation of funds by Congress to the Agency, the Agency sends a letter to Congress detailing the plan for spending the appropriated funds. The Business Management Division prepares the ESE section of this letter, and sends it to the Office of the Chief Financial Officer for editing and incorporation into the Agency letter. This letter and the supporting data establish both the funding control levels (which are generally consistent with the control levels displayed in the President's budget), and the specific amounts for each program/project. It also includes explanations of any budget changes between the President's budget and the Operating Plan. The Congressional response to this letter may either accept the Operating Plan, accept it with some concerns, or reject specific Agency proposals. The issues, if any, are resolved by the Office of the Chief Financial Officer and the Office of Legislative Affairs, with assistance from the strategic enterprises as needed.</p> <p>ESE develops its inputs and updates to the Agency Operating Plan in an electronic format. The initial inputs require approval of the ESE Associate Administrator. ESE documents the AA's approval by printing the electronic formats, attaching a cover sheet, and obtaining the AA's signature. The Business Management Division retains this signature package in hardcopy format.</p> <p><input type="checkbox"/> <i>Update the Operating Plan.</i> At the midpoint of the fiscal year (or at other times depending upon specific budget issues and corrective actions<sup>1</sup>), the Agency updates the initial Operating Plan. The process used is essentially the same as the process by which the Agency establishes the initial Operating Plan. As necessary, the Business Management Division coordinates updates with the directors of the technical divisions (Research; Applications, Commercialization, and Education; and Program Planning and Development). It is important to note that, although the Agency is legally required to submit a "reprogramming" or to update the Operating Plan when a previous</p>

<sup>1</sup> As described in Activity 3 of this procedure, corrective actions are identified through monthly program reviews and through ESE assessments of financial status

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control needs to be changed by five hundred thousand (500,000) dollars or more, as a practical matter the Agency discloses all changes in the Operating Plan to the OMB and to the Congress.

Business Management 2  
Division

Establish Funds Control. The Business Management Division is responsible for ensuring that resources authority (funding) is distributed to the Field Centers in accordance with the approved Operating Plan and in a manner that enables an uninterrupted flow of work in the programs and projects. This activity consists of two tasks: request resources authority from the Office of the Chief Financial Officer, and distribute resources authority to the Centers. These two tasks are described below in summary form. More detailed descriptions of the NASA funds control process are included in the *NASA Budget Administration Manual*.

- ☐ *Request Resources Authority from the Office of the Chief Financial Officer.* When appropriated funds become available to the Agency, the Business Management Division prepares a request for the Office of the Chief Financial Officer to release resources authority (NASA Form 506 Green) to the Associate Administrator for Earth Science. The requested funds must be consistent with the approved Operating Plan. In order to ensure the timely commitment, obligation, and costing of ESE resources, the resources authority request to the Chief Financial Officer generally includes the maximum level of funding that can be released consistent with Agency policy and with prudent financial management.
- ☐ *Distribute Resources Authority to the Field Centers.* Following the receipt of resources authority from the Office of the Chief Financial Officer, the Business Management Division distributes the resources authority (NASA Form 506 White) to the Field Centers. The distributed amounts in this "506 authority" must be consistent with the approved Operating Plan and with ESE policy.

Business Management 3  
Division  
  
Associate  
Administrator

Monitor Performance. The Business Management Division tracks performance against the obligation and cost phasing plan and the fiscal year performance plan targets. The plan reflects the level of work to be completed by each program and project on a monthly basis. The Agency establishes the initial plan at the beginning of the fiscal year, and usually updates it in the April/May time frame. Performance against the plan is the primary means used by the Agency to assess program and project financial status.

- ☐ *Establish the Obligation and Cost Phasing Plan.* Initial obligation and cost phasing plans are requested as part of the Program Operating Plan (POP) data call issued by the Office of the Chief Financial Officer (HOWI 7410-Y006, *Formulate the ESE Budget*, describes the POP data call). The Field Centers generate the plans as part of the Center budget submittals and send them to the institutional program offices (IPOs) at Headquarters. The IPOs distribute the data to the appropriate strategic enterprises and Headquarters staff offices. As the IPO for GFSC, OES receives the GFSC inputs. Following receipt of the data (usually in September), the Business Management Division distributes it as appropriate, assesses the Center plans, and may recommend adjustments to the Associate Administrator.



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ESE develops its inputs and updates to the Obligation and Cost Phasing Plan in an electronic format. The initial inputs require approval of the ESE Associate Administrator. ESE documents the AA's approval by printing the electronic formats, attaching a cover sheet, and obtaining the AA's signature. The Business Management Division retains this signature package in hardcopy format.

The Business Management Division then submits the plan electronically to the Office of the Chief Financial Officer for incorporation into the Agency plan.

- ☐ *Update the Obligation and Cost Phasing Plan.* Depending upon financial performance, external requirements, policy direction, and other factors, the Agency may request an update to the plan. This is often done in the middle of the fiscal year, in order to provide a better prediction of the Agency's financial status at the end of the current fiscal year. The process used to obtain data to update the plan is essentially the same as the process used to establish the initial plan, except that where the request for the initial plan is included with the Program Operating Plan, the request for an updated plan is sent out as a separate action.
- ☐ *Assess Financial Status.* The Business Management Division develops monthly assessments of ESE's program and project financial status, and presents these assessments to the Associate Administrator during the ESE Monthly Program Review. Although this assessment emphasizes performance against the cost plan, other financial metrics, such as rates of commitments and obligations, are also tracked. Monthly commitment and obligation rates are examined in order to ensure the timely use of ESE resources, and to identify any areas where there may be flexibility to redistribute funds to areas with higher priority needs.

Monthly cost performance is assessed through a plan versus actual analysis, with variance explanations provided where appropriate. In addition, cost rate projections are used to estimate end-of-year status. On the basis of this assessment, potential corrective actions are recommended to the Associate Administrator in those areas where financial performance varies significantly from plans and/or where it does not conform to applicable funds utilization metrics. Approved corrective actions may trigger an update to the Operating Plan.

- ☐ *Assess Progress Against Performance Plan Targets.* The Business Management Division develops monthly assessments of ESE's program and project status relative to the ESE fiscal year performance plan targets, as established during budget formulation. These assessments are included in the ESE Monthly Program Review briefing presented to the Associate Administrator.

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## 7.0 QUALITY RECORDS

RECORD IDENTIFICATION	OWNER	LOCATION	MEDIA Electronic or Hardcopy	SCHEDULE AND ITEM NUMBERS*	RETENTION / DISPOSITION
ESE Input to the Operating Plan	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, "Budget and Programming Resources / Apportionment Files," paragraph D.1.	Destroy 2 years after the close of the fiscal year.
ESE Updates to the Operating Plan	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
Signature Package -- ESE Input to the Operating Plan	Resources Team Lead	Business Management Division	Hardcopy	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
Resource Authority (NASA Form 506 Green) Request	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
Resource Authority (NASA Form 506 White)	Resources Team Lead	Business Management Division	Hardcopy	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
ESE Input to the Obligation and Cost Phasing Plan	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
ESE Updates to the Obligation and Cost Phasing Plan	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
Signature Package -- ESE Input to the Obligation and Cost Phasing Plan	Resources Team Lead	Business Management Division	Hardcopy	Schedule 7, Item 21, paragraph D.1.	Destroy 2 years after the close of the fiscal year.
YB Input to ESE Monthly Program Review Briefing	Resources Team Lead	Business Management Division	Electronic	Schedule 7, Item 21, paragraph B.1.	Retire 1 copy of each report to FRC when 2 years old. Destroy when 8 years old.

\* Quality Records are retained in accordance with the referenced schedule and item numbers from NPG 1441.1, *NASA Records Retention Schedules*.